

Title 25. Department of Housing and Community Development

Enterprise Zone Regulations

Subchapter 21. Enterprise Zone Program

Amend Section 8431 as follows:

§8431. Definitions.

The following definitions shall apply to this Subchapter. References to code sections refer to the sections of these regulations unless otherwise noted.

(a) “Act” shall mean Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1, Government Code.

(b) “Certificate” or “voucher” shall mean the certification described in subdivision (c)(1) of Revenue and Taxation Code Sections 17053.74 and 23622.7 and which contains all the information required by Section 8450.2 in a format provided by the Department.

(c) “Department” means the Department of Housing and Community Development.

(d) “Enterprise Zone” or “zone” means the same as defined in subdivision (d) of Government Code Section 7072.

(e) “Enterprise Zone Manager” or “zone manager” means the person or position designated by an enterprise zone governing body to administer its enterprise zone program, including administration of the vouchering process.

(f) “Memorandum of Understanding” or “MOU” means an agreement between an enterprise zone and the Department identifying the start date of tax credits in the zone, listing the terms and conditions that the zone must fulfill during the life of the zone, and any amendments thereto including, but not limited to, any terms and conditions for compliance with any audit agreement.

~~(e)~~(g) “Qualified Employee” means a “qualified employee” the same as defined in subdivision (a)(4)(A) of Revenue and Taxation Code Sections 17053.74 and 23622.7 and who has met the documentation requirements of Section 8450.5 or Section 8450.6.

~~(f)~~(h) “Remittance Form” means the form described in subsection (b) of Section ~~8434~~8433.

Note: Authority Cited: Sections 7086(a), ~~(d)~~ Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7072(a), ~~7072(d)~~, 7076, 7076.1, and 7086, Government Code; Sections 17053.74(c) and 23622.7(c), Revenue and Taxation Code.

Adopt a new Article 14. Enterprise Zone Administration and Issuance of Vouchers.

Article 14. Enterprise Zone Administration and Issuance of Vouchers.

Adopt § 8450. Definitions. The following definitions shall apply to this Article 14 only. Unless noted otherwise, the term “Subdivision,” for purposes of this Article, refers to the same subdivision of both Revenue and Taxation Code Section 17053.7 and Revenue and Taxation Code Section 23622.7.

(a) “Applicant” shall mean the business with a worksite in the zone. In the case of a business with more than one location, an application for a hiring voucher may be filed by the business’s agent in the local enterprise zone.

(b) “Disabled individual” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(V).

(c) “Dislocated worker due to layoff” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(aa).

(d) “Dislocated worker due to plant closure” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(bb).

(e) “Dislocated worker due to long-term unemployment” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(cc).

(f) “Dislocated former self-employed worker” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(dd).

(g) “Dislocated civilian worker due to military base closure” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(ee).

(h) “Dislocated worker due to separation from the military” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(ff).

(i) “Dislocated worker due to seasonal unemployment” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(gg).

(j) “Dislocated worker due to Clean Air Act compliance” means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IV)(hh).

(k) "Doing business in the zone" means that a business has at least one worksite in the zone.

(l) "Economically disadvantaged individual" means an individual who is at least 14 years of age, resides in a household whose income is 80% or below of the area median income adjusted for household size, and: is deficient in basic literacy skills; lacks a high school diploma or equivalent; or is homeless, a runaway, or a foster child.

(m) "Ex-offender" means an individual who has been convicted of a felony, or a person charged with a felony offense but placed on probation by a state court without a finding of guilt.

(n) "Local zone," means the zone in which the employee that is the subject of the voucher application has performed or is expected to perform at least 50% of his or her services for the applicant.

(o) "Native American" means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(VIII).

(p) "Recipient of public assistance" means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(VII).

(q) "Remote zone" means any enterprise zone other than the local zone.

(r) "TEA resident" means an individual who meets the requirements of Subdivision (b)(4)(A)(iv)(IX).

(s) "Worksite" means a fixed geographic location within a zone where there is at least one employee that performed at least 50% of his or her services during the most recent taxable year for a single employer.

Note: Authority Cited: Sections 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7072, 7076, 7076.1, and 7086, Government Code; Sections 17053.74(c) and 23622.7(c), Revenue and Taxation Code.

Adopt § 8450.1 Designation of Zone Manager and Staffing.

(a) Each enterprise zone governing body shall designate an enterprise zone manager and shall notify the Department, in writing, of its designee. If the zone manager is not an employee, department, or agency of the city, county, or city and county in which the enterprise zone is located, the governing body shall enter into a written agreement with the zone manager requiring, at a minimum, compliance with this Article 14.

- (b) The governing body of each zone shall ensure that its zone manager is budgeted and staffed at a level that will permit compliance with the voucher program requirements of this Article 14.
- (c) The enterprise zone governing body shall not reduce the budget or staff allocation of its zone manager from the levels indicated in its current MOU without prior written notice to the Department.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076, 7076.1 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.2. Administration of a Vouchering Program.

- (a) Each enterprise zone shall have and maintain a vouchering plan containing policies and procedures for the operation of a vouchering program. The plan shall, at a minimum, meet the following criteria:
 - (1) The plan shall have written vouchering policies and procedures that ensure compliance with Revenue and Taxation Code Sections 17053.4 and Section 23622.7, Government Code Section 7070 et seq., California Code of Regulations title 10, chapter 7.8 commencing with section 5600, and this subchapter 21.
 - (2) The plan shall require any applicant for a voucher to provide documentary evidence to substantiate that the employee for whom a voucher is requested was, as of the date of hire, a qualified employee.
 - (3) The plan shall provide for retention of records for each voucher application received sufficient for the Department to determine compliance with this subchapter 21 and for the Franchise Tax Board to determine that vouchers issued by the enterprise zone manager comply with the requirements of Revenue and Taxation Code Sections 17053.4 and Section 23622.7 and Franchise Tax Board practices and procedures. These records shall include copies of all voucher applications, the documentation submitted pursuant to subsection (a)(2) and a clear statement of the basis for the decision on each voucher application. Records shall be maintained for a minimum of five years from the date an application for a voucher is received.
 - (4) The plan shall ensure that zone employees or agents are free of any conflicts of interest with the businesses in the zone requesting vouchers.
 - (5) The plan shall ensure that vouchering policies and procedures are administered consistently.
 - (6) The plan shall include an annual affirmative marketing procedure for ensuring that businesses are: aware of the opportunities to participate in the enterprise zone program; made aware of the vouchering plan; and timely notified of any changes in the vouchering plan.
 - (7) The plan shall include identification of, and a program for, direct linkage of benefits to disadvantaged employees by eligibility category.

- (8) A zone shall not use a third party entity to issue vouchers (a “vouchering agent”) unless the plan expressly provides for use of a vouchering agent, and the vouchering agent enters into a written agreement with the zone.
- (b) A zone manager shall issue vouchers only for employees who have performed or are expected to perform at least 50% of their work at a worksite located in the zone except that a local zone may enter into a written agreement with a remote zone authorizing the remote zone to issue vouchers on behalf of the local zone. Any such written agreement shall require compliance with all applicable provisions of this Article 14. The local zone shall notify the Department upon execution of any such agreement.
- (c) Notwithstanding the designation by an enterprise zone governing body of an enterprise zone manager, the enterprise zone governing body shall remain responsible for compliance with the requirements of Article 14.
- (d) Notwithstanding any agreement between zones as permitted by subsection (b), the local enterprise zone and local enterprise zone manager on whose behalf the vouchers are issued shall be responsible for compliance with the requirements of this Article 14.
- (e) Compliance with this Article 14 shall be evaluated as part of any Department audit of an enterprise zone program. Any audit findings regarding a remote zone’s issuance of vouchers on behalf of a local zone shall apply equally to the remote zone issuing the vouchers and the local zone on whose behalf the vouchers were issued.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076, 7076.1, 7085 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.3. Content of a Voucher.

- (a) This section establishes the content of a voucher, which includes the voucher application described in subsection (b) and the zone manager’s (or the vouchering agent’s) approval or denial of the application and the reasons therefore described in subsection (c). Vouchers shall be in a format provided by the Department, sequentially numbered for each zone, and containing the information required by this section.
- (b) A voucher application shall contain the following information:
- (1) Employee’s name, home address, telephone number, social security number or other identifying number, job title, date of hire, verifiable date of termination if no longer working for the applicant, starting hourly wage or salary and an indication of whether the employee was hired into a new position or an existing position.

- (2) Employer's name, address, federal tax identification number, total number of employees at the business location, and type of business.
 - (3) Identification of which "qualified employee" eligibility category under which the applicant is applying.
 - (4) Identification of whether the application is being filed under Section 8450.5 or Section 8450.6.
 - (5) If the application is being made under Section 8450.5, all of the information and documentation required by Section 8450.5 shall be included or the application will be returned as incomplete. If the application is being made under Section 8450.6, the applicant: shall include the information and documentation that the applicant believes will support the application; shall include a narrative explanation of how, in the applicant's opinion, the information establishes that the employee is a "qualified employee;" and shall sign the application under penalty of perjury stating that the submitted information is true and correct.
 - (6) A statement by the applicant, signed under penalty of perjury, attesting to its attempt to provide preference in hiring as required by subdivision (b)(4)(B) of Revenue and Taxation Code Sections 17053.74 and 23622.7.
 - (7) Information necessary to establish that the applicant maintains a workplace in the zone.
 - (8) Information necessary to ensure that the employee expects to work or has worked at least 50% of his or her time at the worksite in the zone.
 - (9) Information necessary for the Department to prepare its reports to the Legislature pursuant to Government Code Section 7085 and to assess the cost effectiveness of the program.
 - (10) A statement by the applicant, signed under penalty of perjury, that the documents provided are true and correct copies of documents on file with the applicant.
- (c) The zone manager or the vouchering agent shall summarize the information provided in subsection (b) and shall provide the following information:
- (1) Date the application was received.
 - (2) Name, title, address and phone number of vouchering agent verifying the eligibility, if different from the zone manager.
 - (3) The eligibility criteria and documentation that the zone manager or the zone's vouchering agent has verified as having qualified the employee for a voucher at the time of hire.
 - (4) Approval or denial of the voucher, reason for denial if applicable, signature of the zone manager or vouchering agent and the date.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.4. Required Documentation For Issuance of a Voucher.

An enterprise zone manager, or vouchering agent, shall issue a voucher if all of the following criteria are satisfied:

- (a) The voucher is requested by or on behalf of a business doing business in the zone.
- (b) The voucher is requested for an employee who, during the taxable year, is expected to perform or has performed at least 50% of his or her services for the business in the enterprise zone.
- (c) The voucher application contains all the information required by Section 8450.3.
- (d) The voucher application demonstrates, to the satisfaction of the enterprise zone manager or vouchering agent that the employee is a qualified employee. .

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.5. Acceptable Documentation.

- (a) Except as provided in Section 8450.6, a zone manager shall not issue a voucher unless the applicant provides the information and/or documentation required by this Section.
- (b) For purposes of Subdivision (b)(4)(A)(iv)(I), the “successor program” to the Job Training Partnership Act (“JTPA”) is the “Core B” and/or “Intensive Services” component of the Workforce Investment Act of 1998 (Public Law 105-220) (“WIA”). For purposes of Subdivision (b)(4)(A)(iv)(II), the “successor program” to the Greater Avenues for Independence Act of 1985 (“GAIN”), is the welfare-to-work activities under the CalWORKS program provided for in Division 9, Part 3, Chapter 2, Article 3.2 (commencing with Section 11320) of the Welfare and Institutions Code. To demonstrate that an employee is a qualified employee under Subdivision (b)(4)(A)(iv)(I), (b)(4)(A)(iv)(II), or (b)(4)(A)(iv)(XI), the applicant shall provide one of the following documents pertaining to the employee’s status immediately prior to commencement of employment with the applicant:
 - (1) A document issued by the local JTPA administrator stating that the employee either was receiving JTPA services, or was eligible to receive such services.
 - (2) A document issued by the local GAIN administrator stating that the employee either was receiving GAIN services, or was eligible to receive such services.
 - (3) A document issued by the local CalWORKS administrator stating that the employee was eligible for CalWORKS welfare-to-work activities.
 - (4) A document issued by the local WIA case manager or administrator stating that the employee either is eligible for WIA Core B or Intensive Services or was enrolled in WIA Intensive Services or Core B.

- (5) A document issued by the local Work Opportunity Tax Credit “designated local agency” (as defined in Internal Revenue Code Section 51(d)(15)) stating that the employee a member of the targeted group, as defined in Internal Revenue Code Section 51(d) or its successor.
- (c) To demonstrate that the employee is a qualified employee as an economically disadvantaged individual, the applicant shall provide one of the following pertaining to the employee:
- (1) To document that the employee is at least 14 years of age:
 - (A) Birth certificate;
 - (B) Work permit
 - (2) To document economic disadvantage:
 - (A) Documentation that the employee was a cash welfare recipient at the time of hire.
 - (B) Evidence of vocational rehabilitation referrals.
 - (C) Documentation that the employee was in foster care at the time of hire.
 - (D) Documentation that the employee was eligible for the free lunch program.
 - (E) Copy of a public assistance check.
 - (F) Public assistance identification card.
 - (G) Public assistance records print out.
 - (H) Signed statement from Health and Welfare Department.
- (d) To demonstrate an employee is a qualified employee as a dislocated worker due to layoff:
- (1) To document that an employee has been terminated, laid off, or received a notice of termination or lay off, the applicant shall provide one of the following documents:
 - (A) Copy of a termination notice or other company documentation of employee’s termination.
 - (B) Employer or union representative letter identifying the employee’s termination date.
 - (C) Photocopy of printed media article or announcement describing the layoff.
 - (D) Unemployment Insurance Form 501 (Separation Statement), when completed on both sides and signed by an employer representative.
 - (E) Copy of the employee’s last payroll check prior to hire by the applicant.
 - (2) To document that the employee is eligible for or has exhausted entitlement to unemployment insurance benefits, the applicant shall provide one of the following documents:
 - (A) Unemployment insurance records.
 - (B) Statement by an Unemployment Insurance representative.

- (3) To demonstrate that the employee is unlikely to return to his or her previous industry or employment, the applicant shall provide one of the following documents:
- (A) Screen print of California Employment Development Department Labor Market Information Division screens that indicates lack of industry/occupation availability.
 - (B) Doctor's statement indicating employee's inability to return to previous industry/occupation due to physical limitations.
 - (C) Vocational rehabilitation counselor's statement indicating the employee's inability to return to previous industry/occupation due to physical limitations.
- (e) To demonstrate that an employee is a qualified employee as a dislocated worker due to plant closure:
- (1) To document that there has been a permanent plant closure or substantial lay off, the applicant shall provide one of the following documents:
- (A) Bankruptcy documents, if declared under Chapter 7, Title 11 U.S.C., Notice of Foreclosure or a similar document provided by a financial institution when such document clearly shows that a closure or mass layoff will occur as a result of its issuance.
 - (B) Copy of a printed media article/announcement describing the closure/mass lay off. The copy must include the name of the medium in which published and the date of publication.
 - (C) Statement from the employer or the union representative.
 - (D) Statement from the employer's bank official, attorney, supplier, or accountant.
- (2) To document that an employee has been terminated, laid off, or received a notice of termination or lay off, the applicant shall provide one of the following documents documenting that the employee was employed at the plant identified in (e)(1) above:
- (A) Copy of a termination notice or other company documentation of employee's termination.
 - (B) Employer or union representative letter identifying the employee's termination date.
 - (C) Photocopy of printed media article or announcement describing the layoff.
 - (D) Unemployment Insurance Form 501 (Separation Statement), when completed on both sides and signed by an employer representative.
 - (E) Copy of the employee's last payroll check prior to hire by the applicant.
- (f) To demonstrate that an employee is a qualified employee as a dislocated worker due to long-term unemployment, the applicant shall provide one of the following documents pertaining to the employee and issued no sooner than 26 weeks prior to the date of hire:

- (1) Proof of receipt of unemployment benefits for at least 15 of the 26 weeks prior to the date of hire.
- (2) Unemployment insurance verification (benefits records).
- (3) Unemployment insurance award letter with claim history.
- (4) Workers Investment Act Displaced Worker Unit Verification.
- (5) Statement by an Unemployment Insurance representative.
- (g) To demonstrate that an employee is a qualified employee as a dislocated former self-employed worker, the applicant shall provide one of the following documents demonstrating that the employee previously was self-employed and was unemployed prior to the date of hire due to economic conditions in the community or due to natural disaster:
 - (1) Bankruptcy documents listing both the name of the business and the employee's name.
 - (2) A business license or permit listing the employee's name.
 - (3) Certified copy of articles of incorporation for the business listing the employee as an owner, officer, or principal.
 - (4) Prior years income or sales tax return.
- (h) To demonstrate that an employee is a qualified employee as a dislocated civilian worker due to military base closure, the applicant shall provide a copy of the employee's termination notice and either a copy of a media article or announcement describing the layoff or closure, or an employer or union representative letter describing the layoff or closure.
- (i) To demonstrate that an employee is a qualified employee as a dislocated worker due to separation from the military, the applicant shall provide one of the following documents demonstrating that the employee's separation from the service either was involuntary, or was done pursuant to a special benefits program:
 - (1) Report of discharge from the armed services or the National Guard.
 - (2) Veterans Administration documentation.
 - (3) Verification by State Veterans Agency.
- (j) To demonstrate that an employee is a qualified employee as a dislocated worker due to seasonal unemployment, the applicant shall provide one of the following documents demonstrating that the employee was a seasonal or migrant worker prior to the date of hire:
 - (1) Documentation of employee's migrant employment in a seasonal occupation.
 - (2) Employer or union representative letter describing seasonal layoff in employee's seasonal occupation.
 - (3) Copies of termination notices identifying employer and employee.
 - (4) Copies of employee's pay stubs identifying seasonal employer.
- (k) To demonstrate that an employee is a qualified employee as a dislocated worker due to Clean Air Act compliance, the applicant shall provide a copy of the employee's termination notice and either a photocopy of a media article or announcement describing the reason for the layoff, or an employer or union representative letter stating that compliance with the Clean Air Act was the reason for the layoff.

- (l) To demonstrate that an employee is qualified as a disabled individual, the applicant shall provide the documentation required either by (1) or (2) following:
- (1) The applicant shall provide one of the following documents demonstrating that the employee is disabled and eligible for, enrolled in, or has completed a state rehabilitation plan :
 - (A) Physician's statement.
 - (B) Rehabilitation plan.
 - (C) Vocational rehabilitation letter.
 - (D) Verification by state or federal rehabilitation counselor.
 - (E) Letter from drug or alcohol rehabilitation agency.
 - (F) Medical records.
 - (G) Social Security Administration disability records.
 - (H) Social Service records/referral.
 - (2) The applicant shall provide one of the following documents demonstrating that the employee is a service-connected disabled veteran:
 - (A) DD-214 Defense Department Report of Separation.
 - (B) Veterans Administration documentation.
 - (C) Verification by State Veterans Agency.
- (m) To demonstrate that an employee is a qualified employee as an ex-offender, the applicant shall provide one of the following documents verifying that the employee was convicted of a felony prior to the date of hire, or was charged with a felony but was placed on probation without a finding of guilt by a state court:
- (1) Court documents.
 - (2) Letter of parole.
 - (3) Letter from probation officer.
 - (4) Police records.
 - (5) Application for employment dated and signed by the employee clearly stating that the employee was convicted of a felony prior to the date of hire, or was charged with a felony but was placed on probation without a finding of guilt by a state court.
- (n) To demonstrate that an employee is a qualified employee as a recipient of public assistance, the applicant shall provide one of the following documents verifying that the employee was receiving the assistance prior to the date of hire:
- (1) Public assistance award letter.
 - (2) Benefit printout.
 - (3) Current food stamp identification card or award letter.
 - (4) Social Security Insurance award letter or check stub.
 - (5) Refugee Cash Assistance.
 - (6) Verification by Department of Social Services.
 - (7) Written statement from county welfare office or telephone verification by zone manager.
 - (8) Public assistance records/printout.
 - (9) Application for employment with the applicant signed by the employee demonstrating through the employee's employment history that the employee was the recipient of public assistance sometime during the 60 days prior to being hired by the applicant.

- (o) To demonstrate that an employee is a qualified employee as a Native American, the applicant shall provide one of the following documents verifying that the employee is a Native American:
- (1) Native American tribal record document.
 - (2) Certified Degree of Indian Blood (CDIB) card, issued by the Bureau of Indian Affairs.
- (p) To demonstrate eligibility that an employee is a qualified employee as a TEA resident, the applicant shall provide a copy of the officially listed Targeted Employment Area ("TEA") address range and one of the following documents, dated within 90 days prior to the time of hire, verifying that the employee resides in a TEA:
- (1) Form I-9, U.S. Department of Justice, Immigration and Naturalization Service.
 - (2) Driver's license or State Identification Card.
 - (3) Copy of a W-4 with address, date and signature.
 - (4) Landlord statement.
 - (5) Lease or rental agreement.
 - (6) Utility bill.
 - (7) Application for employment signed and dated no more than 60 days prior to the employee's hire date.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.6. Alternate Method of Establishing Eligibility for Issuance of a Voucher.

If an applicant for a voucher cannot produce the documentation required by Section 8450.5, a zone manager may issue a voucher if the following requirements are met:

- (a) The applicant produces alternate documentation dated on or before the employee's date of hire that, in the zone manager's or vouchering agent's opinion, establishes that the employee was a "qualified employee" at the time of hire.
- (b) The applicant provides a statement signed by the employee, dated on or about the date of the voucher application and certified under penalty of perjury, that the documentation provided by the applicant pursuant to (a)(1)(A) is true and correct.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086, Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.

Adopt § 8450.7. Voucher Appeals.

Appeal of a denial of a voucher application shall be made in accordance with the provisions of this section.

(a) All appeals shall be in writing and shall include the following information:

- (1) Name and address of the business, and, if applicable, the business's representative for the purposes of the appeal;
- (2) Signature of the business or the business's authorized representative;
- (3) Narrative discussion of why the denial should be reversed and any additional information or documentation not previously provided in support of the application; and,
- (4) A copy of all denial notices.

(b) A denial issued by a vouchering agent or a remote zone manager on behalf of a local zone may be appealed to the local zone manager within 30 calendar days of the date of the denial. The local zone manager shall respond to the appeal, in writing, within 30 calendar days of receipt of the appeal. The local zone manager's response shall set forth the basis for the local zone manager's decision to accept or reject the appeal and shall be sent to the applicant, the vouchering agent or remote zone manager, and the Department.

(c) A final decision by a local zone manager denying an application may be appealed to the Department within 30 calendar days of the date of the final decision by the local zone manager. The Department shall have 90 calendar days from receipt of an appeal from a local zone manager to issue a written response granting or denying the appeal. If the Department fails to issue a written response within 90 calendar days, the appeal shall be deemed denied.

(d) The decision of the Department shall be final and, if rendered in writing, shall be sent to the applicant (or the applicant's authorized representative), and the local zone manager.

Note: Authority Cited: Section 7086 Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code. Reference: Sections 7076 and 7086(d), Government Code; Sections 17053.74(c)(1) and 23622.7(c)(1), Revenue and Taxation Code.